

SENATE BILL REPORT

SHB 1763

As Reported by Senate Committee On:
Human Services & Corrections, February 19, 2018

Title: An act relating to modifying the property tax exemption for property used to provide housing for eligible persons with developmental disabilities.

Brief Description: Modifying the property tax exemption for property used to provide housing for eligible persons with developmental disabilities.

Sponsors: House Committee on Finance (originally sponsored by Representatives Robinson, Wylie, Jinkins, Ortiz-Self, Sells, Orcutt, Dolan, Pollet, Wilcox, Springer, Kretz, Kloba, Senn, Tharinger, Kilduff and Santos).

Brief History: Passed House: 3/07/17, 90-7; 2/07/18, 93-5.

Committee Activity: Human Services & Corrections: 2/19/18 [w/oRec-WM].

Brief Summary of Bill

- Expands the property tax exemption for nonprofit organizations providing housing to low-income individuals with developmental disabilities to include qualifying adult family homes.

SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

Majority Report: That it be referred without recommendation and be referred to Committee on Ways & Means.

Signed by Senators Darneille, Chair; Dhingra, Vice Chair; O'Ban, Ranking Member; Carlyle, Frockt and Miloscia.

Staff: Kevin Black (786-7747)

Background: Property Taxes. All property in Washington State is subject to property tax each year based on the highest and best use of the property, unless a specific exemption is provided by law. Property tax exemptions are currently made available to qualifying organizations including schools, churches, nonprofit hospitals, nursing homes, museums, public meeting halls, and others.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Property Tax Exemptions for Specific Nonprofit Organizations. Nonprofit organizations that provide housing for eligible individuals who have developmental disabilities receive a property tax exemption on the property used to do so. Eligible individuals must have been found to be eligible for services based on rules developed by the Department of Social and Health Services. The nonprofit organization must qualify under federal code and must have been specifically charitably created for the purpose of creating and preserving long-term affordable housing for low-income individuals with developmental disabilities. The exempt housing must be occupied by eligible clients who have a low income. Low income is defined as being at or below 80 percent of the county median income adjusted for family size based on Federal Housing and Urban Development standards. The property must be used exclusively for the purpose of the exemption.

Adult Family Homes. Adult family homes are residences where room, board, and medical or other special care is provided to at least two, but no more than six, adults who are not related by blood, marriage, or to the people providing the services. There are more than 2800 adult family homes in the state. Adult family homes are independently operated and are licensed by the state.

Summary of Bill: The property tax exemption for nonprofit organizations that provide housing for low-income individuals with developmental disabilities is expanded, allowing adult family homes where at least 75 percent of the residents with developmental disabilities who have a low income to qualify for the exemption.

The bill applies to taxes levied for collection in 2018 and after.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: No public hearing was held.

Persons Testifying: N/A

Persons Signed In To Testify But Not Testifying: N/A